NUEXCO

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# EXECUTIVE SUMMARY & INDUSTRY OVERVIEW
# NUEXCO REPORT 159

**Exchange Value $23.50, Unchanged**

The market was relatively active during October. **Exchange Value** remained at $23.50 per pound $U_3O_8$ for the fourth consecutive month. Five transactions are reported involving about 1.8 million pounds $U_3O_8$; all had US sellers.

**Unstable Equilibrium**

The near term market is firming on both the supply and demand sides. However, prices could move suddenly in either direction with aggressive buying or selling decisions. Utilities are offering about 60 percent of the 8.7 million pounds $U_3O_8$ available for sale as listed in the *Market Opportunities* section. The total of demand listed is about 4.3 million pounds $U_3O_8$, about two-thirds of which is being sought by producers.

**Transaction Value Increases to $24.10**

The **Transaction Value** increased to $24.10 per pound $U_3O_8$ from $23.90 the previous month largely on the strength of two fixed price contracts for 1982 delivery.

**Conversion Value $1.10, Unchanged**

The **Conversion Value** remained at $1.10 per pound U for the third consecutive month. Although additional secondary market conversion buyers have emerged, available conversion continues to outweigh demand by a significant margin.

**Ontario Hydro Revises Agreements; Key Lake Highlighted**

In Canada, Ontario Hydro announced that it will reduce the amount of material it takes annually under long term contracts from Denison Mines Ltd. and Rio Algom Ltd. Deliveries will be extended over a longer period.

The orebody development and mining process of the Key Lake project are covered in the *Raw Materials* essay.

**Europeans Review National Energy Programs**

The role of nuclear power in the energy programs of Italy, The Netherlands and France have recently been the subject of government discussions. A much publicized National Assembly debate in France resulted in approval of the Socialist government's energy policy.

In Switzerland, the Federal Council reversed its previous neutral position and agreed to issue a permit for the Kaiseraugst nuclear plant. The decision must be ratified by the Swiss Parliament and a long debate period is expected.

**US SWU Prices Increase**

As of October 1, 1981, the US DOE is raising its prices for separative work under all three types of enrichment contracts. The effect of the increases on optimum tails calculations is assessed.

**AFC Forecasts Revised**

The revised Nuexco forecast of Apparent Future Consumption as of October 31, 1981 differs only slightly from that presented one year ago. The forecast and the resulting Supply and Demand Balance is analyzed in this month's Report.

**Exchange Value Analyzed**

This month's *Essay* attempts to clarify what the Exchange Value is and what it is not.

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